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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA

Reserve

Volume 20

MARCH 1976

Number 8

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. E. Bobo, Market Administrator

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MARKET SUMMARY - MARCH 1976

The Chattanooga Order minimum uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$10.77 and Excess Milk - \$8.60. The producer butterfat differential is 9.9 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of \$2.02 and \$1.74 respectively above March 1975.

In March 1976, 75.05% of the producer milk received by pool plants was priced in Class I at \$11.05 per cwt. and 9.21% was priced in Class II at \$8.70 per cwt. and 15.74% was priced in Class III at \$8.60 per cwt. The March 1976 butterfat differential for all milk testing above or below 3.5% is 9.9 cents.

Total producer milk received during March 1976 was 32,285,509 pounds which is an increase of 1,209,101 pounds or 3.9% compared with March 1975. Deliveries of producer Base milk exceeded producer milk in Class I by 3,447,146 pounds or percentagewise only 87.5% of Base milk was used in Class I. The March 1976 daily average deliveries from 506 producers was 2,058 pounds. This compares to 567 farms delivering a daily average of 1,768 pounds per day during March 1975.

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MILK PRODUCTION

March Milk Production 2.3 Percent Above Last Year

March milk production totaled 10,250 million pounds, up 2.3 percent from a year earlier and 2.6 percent above March, 1974. Production for the first quarter of 1976 was 3.1 percent above the same period last year and 3.4 percent above 1974.

Milk cows during March, at 11,072,000 head, were unchanged from last month but off 1 percent from a year ago. This is the first month since December 1974 that milk cows did not show a decline from the previous month.

March production per cow averaged 926 pounds, 30 pounds more than a year ago, and 37 pounds above March 1974.

Milk-Feed Price Ratio Down From Last Month

The March milk - feed price ratio, at 1.64 was 1 percent below February but 19 percent above March 1975, the result of higher milk prices than a year earlier. The average price of milk sold to plants was below the previous month in all regions except the North Central, while feed costs were up in all regions except the South Atlantic.

Grain and Other Concentrates Fed Up 5 Percent

Grain and other concentrates fed milk cows on April 1 averaged 13.8 pounds per cow -- 0.6 pounds above a year earlier but unchanged from April 1, 1974.

Source: Milk Production - USDA, Statistical Reporting Service, April 12, 1976

COMPARISON OF MILK RECEIPTS AND UTILIZATION  
(DAILY AVERAGE POUNDS)

|                                       | % Mar. '76 |           |           |           |
|---------------------------------------|------------|-----------|-----------|-----------|
|                                       | Over       | Mar.      | Feb.      | Mar.      |
|                                       | Mar. '75   | 1976      | 1976      | 1975      |
| Number of Plants - Pool               |            | 4         | 4         | 4         |
| - Non-Pool                            |            | 11        | 11        | 14        |
| <u>RECEIPTS</u>                       |            |           |           |           |
| Pool Plants - Producer Milk           | + 3.9      | 1,041,468 | 1,024,207 | 1,002,465 |
| - Other Source                        | -22.5      | 42,880    | 48,584    | 55,301    |
| - Other Federal Order                 | -10.1      | 3,104     | 3,857     | 3,453     |
| Non-Pool Plants - Cl. I Sales in Area | -          | 62,836    | 60,397    | 62,864    |
| TOTAL MILK RECEIPTS                   | + 2.3      | 1,150,288 | 1,137,045 | 1,124,083 |

UTILIZATIONClass I Uses

|                                       |       |         |         |         |
|---------------------------------------|-------|---------|---------|---------|
| Homogenized Milk                      | - 1.0 | 385,135 | 378,271 | 388,130 |
| Lowfat - 2% Milk                      | +11.6 | 271,411 | 266,654 | 243,284 |
| Skim and 1% Milk                      | + 2.6 | 21,638  | 20,564  | 21,094  |
| Buttermilk                            | + 1.6 | 58,757  | 57,921  | 57,821  |
| Flavored Milk and Drink               | +41.1 | 43,014  | 37,931  | 30,485  |
| Sub-Total of Pkg. Items (Pool Plants) | + 5.3 | 779,955 | 761,341 | 740,814 |
| Other, Shrinkage                      |       | 1,000   | 12,115  | -0-     |
| Sales to Non-Pool Plants              |       | 650     | 2,787   | -0-     |
| In Area Sales by Non-Pool Plants      | -     | 62,836  | 60,397  | 62,864  |
| TOTAL CLASS I USAGE                   | + 5.1 | 844,441 | 836,640 | 803,678 |

Class II Uses - Pool Plants Only

|                                        |       |         |         |         |
|----------------------------------------|-------|---------|---------|---------|
| Sweet Creams - Routes                  | + 5.7 | 2,414   | 2,247   | 2,283   |
| Sour Cream and Dip - Routes            | +11.2 | 1,897   | 1,761   | 1,706   |
| Yogurt - Routes                        | -     | 689     | 755     | 689     |
| Frozen Desserts and Ice Milk Mixes     | +20.7 | 87,576  | 72,126  | 72,527  |
| Other, Cottage Cheese, Inventory, etc. | -21.7 | 43,069  | 41,927  | 55,001  |
| Sales to Non-Pool Plants               | + 6.0 | 5,976   | 5,495   | 5,636   |
| TOTAL CLASS II USAGE                   | + 2.7 | 141,621 | 124,311 | 137,842 |

Class III Uses - Pool Plants Only

|                               |       |         |         |         |
|-------------------------------|-------|---------|---------|---------|
| Animal Feed and Dumped        | +28.9 | 6,060   | 4,582   | 4,701   |
| Class III Shrinkage           | + 6.6 | 11,381  | 16,563  | 10,679  |
| Inventory Variation           | -45.4 | 11,822  | 11,229  | 21,641  |
| Other, Overage, etc.          |       | 223     | 123     | (37)    |
| Bulk Sales to Non-Pool Plants | - 7.4 | 134,740 | 143,597 | 145,579 |
| TOTAL CLASS III USAGE         | -10.0 | 164,226 | 176,094 | 182,563 |

IN AREA PACKAGE ROUTE DISPOSITION  
BY POOL PLANTS AND NON-POOL PLANTS

|                                   |       |         |         |         |
|-----------------------------------|-------|---------|---------|---------|
| Homogenized Milk                  | - 2.6 | 295,241 | 288,541 | 303,000 |
| Lowfat - 2% Milk                  | +10.8 | 190,730 | 188,226 | 172,099 |
| Skim and 1% Milk                  | + 1.1 | 15,270  | 14,769  | 15,108  |
| Buttermilk                        | - .4  | 44,354  | 44,272  | 44,532  |
| Flavored Milk and Drink           | +42.3 | 35,532  | 31,109  | 24,972  |
| Total Class I Disposition In-Area | + 3.8 | 581,127 | 566,917 | 559,711 |

CLASS I PKG. ROUTE DISPOSITION

|                            |       |         |         |         |
|----------------------------|-------|---------|---------|---------|
| In-Area by pool plants     | + 4.3 | 518,291 | 506,520 | 496,847 |
| In-Area by non-pool plants | -     | 62,836  | 60,397  | 62,864  |



## COMPUTATION OF WEIGHTED AVERAGE PRICE

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| MARCH 1976                                                                 | Class<br>Percent | Butterfat<br>Pounds | Product<br>Pounds | Cwt. Price<br>@ 3.5% | Total<br>Value |
|----------------------------------------------------------------------------|------------------|---------------------|-------------------|----------------------|----------------|
| Class I Producer Milk                                                      | 75.0484          | 611,951             | 24,229,744        | \$11.05              | \$2,677,386.71 |
| Class II Producer Milk                                                     | 9.2097           | 250,364             | 2,973,397         | 8.70                 | 258,685.54     |
| Class III Producer Milk                                                    | 15.7419          | 372,278             | 5,082,368         | 8.60                 | 437,083.65     |
| TOTAL PRODUCER MILK                                                        | 100.0000         | 1,234,593           | 32,285,509        |                      | 3,373,155.90   |
| Less Handler Class I Location Adjustment                                   |                  |                     |                   |                      | -0-            |
| Add Value of Overages                                                      |                  |                     |                   |                      | -0-            |
| Add Inventory Reclassification Charges                                     |                  |                     | 3,787             | .45                  | 17.04          |
| Add Value of Class I Other Source Milk<br>and Producer Location Adjustment |                  |                     |                   |                      | -0-            |
| Add ½ Producer-Settlement Fund Balance                                     |                  |                     |                   |                      | 15,734.10      |
| Total Utilization Value @ 3.5% Test                                        |                  |                     | 32,285,509        | \$10.496681          | \$3,388,907.04 |
| Less Producer Settlement Fund Reserve                                      |                  |                     | 32,285,509        | .046681              |                |
| WEIGHTED AVERAGE PRICE @ 3.5% TEST                                         |                  |                     | 32,285,509        | \$10.45              |                |

## COMPUTATION OF UNIFORM BASE AND EXCESS PRICES

| March 1976                                                                         | Product<br>Pounds | Cwt. Price<br>@ 3.5% | Excess<br>Value | Total<br>Value |
|------------------------------------------------------------------------------------|-------------------|----------------------|-----------------|----------------|
| Total Utilization Value 3.5% Test                                                  | 32,285,509        | xxx                  | xxx             | \$3,388,907.04 |
| Excess Milk Used in Class I                                                        | -0-               | \$11.05              | -0-             |                |
| Excess Milk Used in Class II                                                       | -0-               | 8.70                 | -0-             |                |
| Excess Milk Used in Class III                                                      | 4,608,619         | 8.60                 | 396,341.23      |                |
| UNIFORM EXCESS PRICE @ 3.5% TEST                                                   | 4,608,619         | 8.60                 |                 | 396,341.23     |
| Less FMP from unregulated supply<br>plants allocated to Class I<br>@ Wt. Av. Price | -0-               |                      |                 |                |
| TOTAL VALUE OF BASE MILK                                                           | 27,676,890        | 10.812508            |                 | \$2,992,565.81 |
| Less Producer-Settlement Fund<br>Reserve                                           | 27,676,890        | .042508              |                 | 11,764.89      |
| UNIFORM BASE PRICE @ 3.5% TEST                                                     | 27,676,890        | \$10.77              |                 | \$2,980,800.92 |

MARCH 1976 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 9.9¢ PER POINT (EXCLUDES PREMIUMS)

| TEST-% | BASE     | EXCESS  | TEST-% | BASE     | EXCESS  | TEST-% | BASE     | EXCESS   |
|--------|----------|---------|--------|----------|---------|--------|----------|----------|
| 3.0    | \$10.275 | \$8.105 | 4.0    | \$11.265 | \$9.095 | 5.0    | \$12.255 | \$10.085 |
| 3.05   | 10.3245  | 8.1545  | 4.05   | 11.3145  | 9.1445  | 5.05   | 12.3045  | 10.1345  |
| 3.1    | 10.374   | 8.204   | 4.1    | 11.364   | 9.194   | 5.1    | 12.354   | 10.184   |
| 3.15   | 10.4235  | 8.2535  | 4.15   | 11.4135  | 9.2435  | 5.15   | 12.4035  | 10.2335  |
| 3.2    | 10.473   | 8.303   | 4.2    | 11.463   | 9.293   | 5.2    | 12.453   | 10.283   |
| 3.25   | 10.5225  | 8.3525  | 4.25   | 11.5125  | 9.3425  | 5.25   | 12.5025  | 10.3325  |
| 3.3    | 10.572   | 8.402   | 4.3    | 11.562   | 9.392   | 5.3    | 12.552   | 10.382   |
| 3.35   | 10.6215  | 8.4515  | 4.35   | 11.6115  | 9.4415  | 5.35   | 12.6015  | 10.4315  |
| 3.4    | 10.671   | 8.501   | 4.4    | 11.661   | 9.491   | 5.4    | 12.651   | 10.481   |
| 3.45   | 10.7205  | 8.5505  | 4.45   | 11.7105  | 9.5405  | 5.45   | 12.7005  | 10.5305  |
| 3.5    | 10.77    | 8.60    | 4.5    | 11.76    | 9.59    | 5.5    | 12.75    | 10.580   |
| 3.55   | 10.8195  | 8.6495  | 4.55   | 11.8095  | 9.6395  | 5.55   | 12.7995  | 10.6295  |
| 3.6    | 10.869   | 8.699   | 4.6    | 11.859   | 9.689   | 5.6    | 12.849   | 10.679   |
| 3.65   | 10.9185  | 8.7485  | 4.65   | 11.9085  | 9.7385  | 5.65   | 12.8985  | 10.7285  |
| 3.7    | 10.968   | 8.798   | 4.7    | 11.958   | 9.788   | 5.7    | 12.948   | 10.778   |
| 3.75   | 11.0175  | 8.8475  | 4.75   | 12.0075  | 9.8375  | 5.75   | 12.9975  | 10.8275  |
| 3.8    | 11.067   | 8.897   | 4.8    | 12.057   | 9.887   | 5.8    | 13.047   | 10.877   |
| 3.85   | 11.1165  | 8.9465  | 4.85   | 12.1065  | 9.9365  | 5.85   | 13.0965  | 10.9265  |
| 3.9    | 11.166   | 8.996   | 4.9    | 12.156   | 9.986   | 5.9    | 13.146   | 10.976   |
| 3.95   | 11.2155  | 9.0455  | 4.95   | 12.2055  | 10.0355 | 5.95   | 13.1955  | 11.0255  |

## CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

| Date     | PRODUCER UNIFORM PRICES 1/<br>Per Hundredweight |        |        | Butterfat<br>Diff. | HANDLER CLASS PRICES 1/<br>Per Hundredweight |          |           |
|----------|-------------------------------------------------|--------|--------|--------------------|----------------------------------------------|----------|-----------|
|          | Uniform                                         | Base   | Excess |                    | Class I                                      | Class II | Class III |
|          |                                                 |        |        |                    |                                              |          |           |
| Mar. '75 | \$8.44 2/                                       | \$8.75 | \$6.86 | 7.8¢               | \$9.00                                       | \$6.96   | \$6.86    |
| Apr.     | 8.48 2/                                         | 8.78   | 6.95   | 8.0                | 9.00                                         | 7.04     | 6.94      |
| May      | 8.60 2/                                         | 8.88   | 7.04   | 8.0                | 9.01                                         | 7.12     | 7.02      |
| June     | 8.61 2/                                         | 8.90   | 7.13   | 8.0                | 9.09                                         | 7.21     | 7.11      |
| July     | 8.76 2/                                         | 9.12   | 7.40   | 8.8                | 9.17                                         | 7.45     | 7.35      |
| Aug.     | 8.95                                            | -      | -      | 9.6                | 9.26                                         | 7.80     | 7.70      |
| Sept.    | 9.40                                            | -      | -      | 10.1               | 9.50                                         | 8.37     | 8.27      |
| Oct.     | 9.71                                            | -      | -      | 10.7               | 9.85                                         | 8.70     | 8.60      |
| Nov.     | 10.20                                           | -      | -      | 11.2               | 10.42                                        | 8.94     | 8.84      |
| Dec.     | 10.47                                           | -      | -      | 11.9               | 10.75                                        | 9.18     | 9.08      |
| Jan. '76 | 10.67                                           | -      | -      | 9.9                | 10.99                                        | 9.00     | 8.90      |
| Feb.     | 10.52                                           | -      | -      | 9.3                | 11.23                                        | 8.35     | 8.25      |
| Mar.     | 10.45 2/                                        | 10.77  | 8.60   | 9.9                | 11.05                                        | 8.70     | 8.60      |
| Apr.     | -                                               | -      | -      | -                  | 10.40                                        | -        | -         |
| May      | -                                               | -      | -      | -                  | 10.75                                        | -        | -         |

| Date     | PRICE QUOTATIONS  |                    |                         | PRODUCER MILK        |             |              |                |      |      |
|----------|-------------------|--------------------|-------------------------|----------------------|-------------|--------------|----------------|------|------|
|          | Chi.92°<br>Butter | Chi.Area<br>Powder | Minn/Wisc.<br>Mfg. Milk | Daily Average Pounds |             |              | Percentage Use |      |      |
|          | ¢ Lb.             | ¢ Lb.              | Cwt.-3.5%               | Class<br>I           | Class<br>II | Class<br>III | Per Class      |      |      |
|          |                   |                    |                         |                      |             |              | I              | II   | III  |
| Mar. '75 | 68.07             | 60.58              | \$6.86                  | 738,878              | 82,184      | 181,403      | 73.7           | 8.2  | 18.1 |
| Apr.     | 69.19             | 60.66              | 6.94                    | 759,785              | 108,797     | 146,159      | 74.9           | 10.7 | 14.4 |
| May      | 69.19             | 60.36              | 7.02                    | 780,974              | 92,334      | 110,920      | 79.3           | 9.4  | 11.3 |
| June     | 69.19             | 60.44              | 7.11                    | 721,087              | 118,266     | 113,532      | 75.7           | 12.4 | 11.9 |
| July     | 76.62             | 60.45              | 7.35                    | 758,335              | 126,105     | 96,461       | 77.3           | 12.9 | 9.8  |
| Aug.     | 83.56             | 61.44              | 7.70                    | 774,089              | 122,771     | 68,717       | 80.2           | 12.7 | 7.1  |
| Sept.    | 87.87             | 64.08              | 8.27                    | 845,822              | 63,103      | 22,796       | 90.8           | 6.8  | 2.4  |
| Oct.     | 93.04             | 68.29              | 8.60                    | 802,424              | 61,598      | 42,129       | 88.6           | 6.8  | 4.6  |
| Nov.     | 97.28             | 71.36              | 8.84                    | 789,061              | 61,333      | 70,400       | 85.7           | 6.7  | 7.6  |
| Dec.     | 103.62            | 71.17              | 9.08                    | 781,138              | 56,999      | 106,216      | 82.7           | 6.0  | 11.3 |
| Jan. '76 | 86.12             | 66.04              | 8.90                    | 793,143              | 65,413      | 81,716       | 84.3           | 7.0  | 8.7  |
| Feb.     | 80.94             | 64.25              | 8.25                    | 776,243              | 73,379      | 174,585      | 75.8           | 7.2  | 17.0 |
| Mar.     | 86.05             | 63.37              | 8.60                    | 781,605              | 95,916      | 163,947      | 75.0           | 9.2  | 15.8 |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

| Date     | HANDLER GROSS MILK 3/ |           |         | PRODUCER DATA |       |           |          |         |         |
|----------|-----------------------|-----------|---------|---------------|-------|-----------|----------|---------|---------|
|          | No.                   | Total     | Class I | Pool          | No.   | Total     | Base     | Average | Av. Per |
|          | Hdlers                | Receipts  | Use     | Plants        | Prod. | Delivery  | Delivery | Test-%  | Farm    |
| Mar. '75 | 18                    | 1,124,083 | 803,678 | 4             | 567   | 1,002,465 | 841,666  | 3.87    | 1,768   |
| Apr.     | 18                    | 1,122,545 | 825,321 | 4             | 562   | 1,014,741 | 854,515  | 3.78    | 1,806   |
| May      | 18                    | 1,101,844 | 846,701 | 4             | 557   | 984,228   | 840,125  | 3.74    | 1,767   |
| June     | 18                    | 1,057,279 | 772,728 | 4             | 570   | 952,885   | 802,710  | 3.71    | 1,672   |
| July     | 18                    | 1,097,026 | 811,262 | 4             | 625   | 980,901   | 782,023  | 3.64    | 1,569   |
| Aug.     | 16                    | 1,063,347 | 704,708 | 4             | 612   | 965,577   | -        | 3.60    | 1,578   |
| Sept.    | 16                    | 1,077,503 | 908,919 | 4             | 540   | 931,721   | -        | 3.66    | 1,725   |
| Oct.     | 16                    | 1,046,372 | 867,764 | 4             | 505   | 906,151   | -        | 3.81    | 1,794   |
| Nov.     | 15                    | 1,035,802 | 845,453 | 4             | 501   | 920,794   | -        | 3.87    | 1,838   |
| Dec.     | 15                    | 1,042,931 | 840,671 | 4             | 507   | 944,353   | -        | 3.97    | 1,863   |
| Jan. '76 | 15                    | 1,065,845 | 872,481 | 4             | 509   | 940,272   | -        | 4.03    | 1,847   |
| Feb.     | 15                    | 1,137,045 | 836,640 | 4             | 538   | 776,243   | -        | 3.93    | 1,904   |
| Mar.     | 15                    | 1,150,288 | 844,441 | 4             | 506   | 1,041,468 | 892,803  | 3.82    | 2,058   |

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross Minus Producer